

Do Your Members Understand Survivor Benefits?

"If I die, what sort of benefits will SDRS provide for my family?" How often have you heard that question from a member? You can dispel any confusion about financial support for survivors by helping the member understand the family and spouse benefits SDRS provides if a member dies while employed, on approved disability or after retirement.

Eligibility

To be eligible for survivor benefits, an employed member must:

- ▶▶ be a contributing member
- ▶▶ have at least one year of credited service
- ▶▶ be less than 65 years old (or 55 for Class B Public Safety) or be receiving disability benefits

All retired members, if married prior to retirement, are eligible for a survivor benefit.

Family Benefit

Families with unmarried dependent children that are under age 18 or are permanently and totally disabled are eligible for family benefits.

If a spouse survives, the calculated benefit is equal to 40 percent of the member's highest annual salary in the last three years of employment plus 10 percent for each child under age 18, up to a maximum of six children. If there is no surviving spouse, the calculated benefit is equal to 20 percent of the highest annual salary for each child, up to a maximum of five children. In either case, the calculated benefit cannot exceed 100 percent of the highest annual salary. The actual SDRS benefit is reduced by an amount equal to 75 percent of the deceased member's Primary Social Security benefit.

As each child reaches age 18 and becomes ineligible, the family benefit is reduced accordingly, unless the child is permanently and totally disabled, in which case the benefit continues for the life of the child.

Spouse Benefit

If a member dies before retirement age, the spouse benefit will begin

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You can dispel any confusion about financial support for survivors by helping the member understand the family and spouse benefits SDRS provides.

If a member dies before retirement age, the spouse benefit will begin when the surviving spouse reaches age 65.

Do You Have a Member Considering Retirement?

As you work with members of your unit, you may learn that certain employees are considering retirement. You should encourage these employees to contact SDRS at least six months in advance of


their anticipated retirement dates. This gives both the members and SDRS enough time to meet all statutory requirements and to complete all necessary paperwork.

Putting off contacting SDRS might mean having to postpone the retirement date. So, urge your members to request Form B-2, "Applying for SDRS Benefits," which is only available from the SDRS office and is mailed directly to members. 

South Dakota Retirement System

PO Box 1098
Pierre, South Dakota 57501

New Entrance to SDRS Office in Pierre

The concrete is dry, the sawhorses are gone and the glass door is polished. Our new entrance on the east side, at 222 E. Capitol Ave., Suite 8, is ready to use. SDRS is still in the same building, using the same offices. But now you can park in the lot on Capitol Avenue and walk right in! 

Do Your Members Understand Survivor Benefits? ... *continued*

when the surviving spouse reaches age 65, unless a primary beneficiary has withdrawn the accumulated contributions. To be eligible, a spouse must also have married the member before the member retired, and the couple must have been married for at least one year prior to the member's death.

The spouse benefit will equal 60 percent of the calculated retirement benefit the member would have received if he or she had lived until retirement. The benefit is calculated with the normal retirement formula, using these substitutions:

- ▶ Final average salary is the highest annual salary in the last three years of employment, plus projected annual cost-of-living adjustments until the member's retirement age

(Class A and Class B Judicial, 65 years; Class B Public Safety, 55 years).


- ▶ Credited service is projected to include the years the member would have earned if he or she had lived and worked until normal retirement age.

When a member dies after retirement, the surviving spouse is eligible for immediate benefits, regardless of age, but must still meet the marriage requirements. The spouse benefit is 60 percent of the member's retirement benefit and continues for the life of the spouse. If the member and spouse both die before receiving the value of all member and employer contributions plus interest, the named beneficiary or estate will receive the remainder of the accumulated contributions.

Optional Spouse Coverage

New members can also elect (at member's expense) additional coverage within the first 365 days of employment. This coverage will pay a salary continuation benefit to a surviving spouse for the span of years not covered by the family benefit or the spouse benefit.

Beginning when there are no eligible children in the household and continuing until the surviving spouse reaches age 65, the optional spouse benefit equals 40 percent of a member's highest annual salary in the last three years of employment.

Optional spouse coverage may also be elected within 90 days of the member's 35th birthday or within 90 days of the first anniversary of marriage. 

The Faces Behind the Voices

"Good morning, this is the South Dakota Retirement System!" When you call SDRS at 605-773-3731, you will hear the friendly voice of Benita Donovan or Becky Sack-Ishman. As the



Benita Donovan



Becky Sack-Ishman

full-time receptionist team for SDRS, they handle all calls from members, authorized agents and the general public.

Benita is relatively new to SDRS, having started in March 2002. But

she is not new to South Dakota, being a native of Ft. Pierre. Becky returned to work at SDRS in June and is another Ft. Pierre native.

On a typical day, Benita and Becky handle more than 100 telephone calls, most from members with questions about their

accounts. Ideally, the member provides the receptionist with his or her name, Social Security number and the reason for the call. With this information in hand, Benita or Becky places the caller on hold, rings the appropriate SDRS staff person

and gives them the information. When the call is transferred, the staff person already has the account information on-screen and is ready to answer the member's questions.

Unfortunately, the process is not always so efficient. "The first piece of information we ask for is the Social Security number, but often the members don't have their number handy," said Becky. While the member searches for his or her Social Security number, transferring their call is delayed. You can help our receptionists by reminding your members to look up their number before they call.

When *you* call SDRS, please remember to:

- ▶ identify yourself as an authorized agent
- ▶ state the reason for your call
- ▶ have the full name and Social Security number, if you are calling on behalf of a member

When Benita and Becky have all the information needed to transfer each call, they can serve you and your members more efficiently and effectively. As Benita says, "Our job is to connect the people with questions to the people with answers." **UpDate**

Coming to Terms: COLA

The acronym for cost-of-living adjustment, or the amount by which benefits are increased to compensate for the effects of inflation. Each year, the benefits paid to SDRS members are increased by a 3.1 percent

cost-of-living adjustment. This adjustment takes effect on July 1, with a member receiving a pro-rated share of the increase during the first year of benefits and the full increase each July 1 thereafter.

For example, as a result of the COLA, a member receiving \$5,000 in annual benefits in 2002 will receive \$5,155 in 2003 and \$5,314.81 in 2004. **UpDate**

SDRS STATE-WIDE MEETING SCHEDULE

SCHEDULE DATE	CITY	COUNTY	LOCATION	ADDRESS	INDIVIDUAL COUNSELING DEADLINE*
March 11, 2003	Brookings	Brookings	Brookings Inn	2500 E. 6 th St.	March 6
March 18, 2003	Eagle Butte	Ziebach, Dewey	Landmark Hall	S. Main	March 13
March 25, 2003	Platte	Charles Mix	First Fidelity Bank	501 Main St.	March 20
April 1, 2003	Britton	Marshall	Community Building	909 S. Main	March 27
April 8, 2003	Castlewood	Hamlin	Community Center	204 E. Main	April 3
April 15, 2003	Belle Fourche	Butte, Harding	Community Center	1111 National St.	April 10
April 22, 2003	Milbank	Grant	Super 8	1205 E. 4 th Ave.	April 17
April 29, 2003	Custer	Custer	Community Center	447 Crook St., Suite 2	April 24
May 6, 2003	Sturgis	Meade	Best Western Philtown Inn	Exit 32 S. Junction	May 1
May 13, 2003	Clear Lake	Deuel	Lakewood Inn	Hwy. 15 South	May 8
May 20, 2003	Canton	Lincoln	Canton Library	225 N. Broadway St.	May 15
May 27, 2003	Wessington Springs	Jerauld, Aurora	Community Room	205 Wallace Ave.	May 22
June 3, 2003	Gettysburg	Potter, Faulk	Super 8	719 E. Hwy. 212	May 29
June 10, 2003	Webster	Day	Dakota Bank	600 Main	June 5
June 17, 2003	Salem	McCook	REA Room	236 N. Main	June 12
June 24, 2003	Parker	Turner	Community Building	299 N. Main	June 19
July 1, 2003	DeSmet	Kingsbury	To be announced	To be announced	June 26
July 8, 2003	Springfield	Bon Homme	Community Service Center	605 8 th St.	July 3
July 15, 2003	Flandreau	Moody	Community Room	101 E. Pipestone	July 10
July 22, 2003	Lemmon	Corson, Perkins	Dakotah Bank	321 Main	July 17
July 29, 2003	Sisseton	Roberts	Dakotah Bank	321 E. Veterans Ave.	July 24

* Individual retirement counseling sessions must be scheduled before noon on this date.

SDRS Retirement Planners Meet with Members Locally

SDRS retirement planners are making group presentations and meeting with members individually at sites throughout South Dakota. Regardless of age, all members can benefit from these presentations. The earlier members develop a retirement plan, the broader and more flexible their options will be.

The meetings are scheduled well

in advance to allow members and their families time to make arrangements to attend. The statewide meeting schedule is also on the SDRS Web site: www.state.sd.us/sdrs/index.htm

Invitation letters are mailed to members in the surrounding area several weeks before the meetings. Members who want a one-on-one

counseling session with a retirement planner should not delay making an appointment through the SDRS office. Please urge your members to call at least one week before the scheduled meeting, as the schedule of individual counseling sessions fills quickly. 